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Debtor in Possession

E-Filed: 1-18-11

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:)	
HOTEL FURNITURE SALES, INC.,)	Case No.: BK-S-09-29126-MKN
)	Chapter 11
)	
)	Date: 2-23-11
Debtor.)	Time: 2:30 PM
)	Courtroom 2

**SECOND AND FINAL FEE APPLICATION OF LARSON & STEPHENS, LLC
SEEKING COMPENSATION FOR LEGAL SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES**

This second and final application for allowance of compensation (the "Final Application") is filed by LARSON & STEPHENS, LLC ("L&S"), bankruptcy counsel for Hotel Furniture Sales, Inc. and all related Debtors' ("Debtors"). Pursuant to this Second and Final Application Period, L&S respectfully requests that the Court enter an Order:

- a) For the period from May 11, 2010 through November 8, 2010 ("Application Period"), allowing L&S professional compensation in the amount of \$6,637.50 and reimbursement of actual and necessary expenses in the amount of \$180.68;
- b) Authorizing the Debtors to pay to L&S all unpaid fees and expenses as allowed by the Court;
- c) Determining that the total amount of professional fees charged by L&S to the Debtors during the Application Period are reasonable within the meaning of 11 U.S.C. § 330(a); and

1 d) Determining that the total amount of reimbursable expenses incurred by L&S
2 during the First Application Period are actual and necessary within the meaning of
3 11 U.S.C. §330(a).

4 This First Application is supported by the attached points and authorities and the exhibits
5 to the Final Application which contain descriptions and analysis of the professional services
6 rendered and the expenses incurred by L&S.

7 DATED this 10th day of January, 2011.

8 LARSON & STEPHENS

9
10 By: /s/ Zachariah Larson, Esq.
11 Zachariah Larson, Esq., Bar No.: 7787
12 810 S. Casino Center Blvd., Suite 104
13 Las Vegas, NV 89101
14 Attorney for Debtor
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**LARSON & STEPHENS
BILLING SUMMARY**

Fees Previously Requested	\$33,550.00
Fees Previously Awarded	\$33,550.00
Expenses Previously Requested	\$1,776.85
Expenses Previously Awarded	\$1,776.85
Retainer Paid	\$25,000.00
Drawn on Retainer	\$25,000.00
Remaining Retainer	\$ 0.00
Current Application Fees Requested	\$6,637.50
Current Application Expenses Requested	\$180.68

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Professional Services

NAMES OF PROFESSIONALS & PARAPROFESSIONALS	YEAR ADMITTED TO PRACTICE	HOURS BILLED CURRENT APPLICATION	RATE	TOTAL FOR APPLICATION
<u>Shareholders:</u>				
Zachariah Larson	2001		350.00	
Kyle O. Stephens	2001		350.00	
<u>Associates:</u>				
Michael Walsh	2006		200.00	
<u>Paraprofessional:</u>				
Carey Shurtliff			125.00	
Susan Stanton			125.00	
<i>TOTAL & BLENDED HOURLY RATE</i>		<i>22.20</i>		<i>\$6,637.50</i>

EXPENSES

Expense	Rate	Total
Federal Express		\$0.00
Photocopies	\$0.25 per page	\$145.00
Messenger	\$10.00 per run	\$10.00
Filing Fees		\$0.00
Postage		\$25.52
Parking expense		\$0.00
Westlaw research fees		\$0.00
Pacer Research	\$0.08 per page	\$.16
Out of Office copies at Kinkos		\$0.00
Transcript Costs		\$0.00
Meals		\$0.00
Total		\$180.68

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POINTS AND AUTHORITIES

I. GENERAL BACKGROUND

1. On October 12, 2009 (the "Petition Dates"), the Debtor filed a voluntary Chapter 11 petitions, thereby commencing this Chapter 11 case which the Court has previously ordered to be joint administered.

2. Debtor continued to operate its business as Debtor-in-possession in accordance with Sections 1107 and 1108 of the United States Bankruptcy Code until November 5, 2010 at which time the Court herein converted the case from a Chapter 11 to a Chapter 7.

3. This is the Second and Final Fee Application for Allowance of Interim Compensation and Reimbursement of Expenses filed by L&S in the above-captioned case. L&S has used all of the initial retainer and there are no funds in the L&S Trust Account. There remains an outstanding balance from the First Fee Application in the amount of \$20,611.39.

4. Pursuant to this Final Application, L&S requests allowance of compensation of \$6,637.50, and reimbursement of expenses of \$180.68 in connection with services provided during the Application Period.

5. L&S's Final Application is a "core proceeding" which the Court has jurisdiction to decide pursuant to 28 U.S.C. §§ 157(a), (b), and 1334. The statutory authority for the relief requested by L&S is 11 U.S.C. § 330. This Final Application has been filed in accordance with Federal Bankruptcy Rule 2016 and the Guidelines of the Office of the United States Trustee for the District of Nevada.

II. CASE STATUS

The Debtor's case was converted from a Chapter 11 to a Chapter 7 on November 8, 2010 by entry of a Court Order. The Trustee is in the process collecting all the assets and liquidating them at auction to satisfy payment to creditors.

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Motions Filed During this Application Period.

1. On May 17, 2010, a First Interim Application for Compensation and Expenses was filed. The Application was approved and an Order was entered on July 6, 2010.

2. On July 13, 2010, an Ex Parte Application to Appoint Trustee was filed. The Application was approved on July 15, 2010 an Order was entered.

3. On July 22, 2010, an Application to Employ Irvin Steinberg, CPA was filed. The Application was approved and an Order was entered on September 9, 2010.

4. On July 22, 2010, an Application to Employ Schwartzer Law Firm was filed. The Application was approved and an Order was entered on September 9, 2010.

5. On July 22, 2010, a Motion to Approve Procedures was filed. The Application was approved and an Order was entered on August 23, 2010.

6. On October 6, 2010, a Motion to Convert Case to Chapter 7 was filed. The Motion was approved and an Order was entered on November 5, 2010.

7. On October 25, 2010, an Application for Compensation was filed by Examiner Joseph Atkins. The Motion is set for hearing on December 1, 2010.

8. On November 8, 2010, a Motion for Relief from Automatic Stay was filed by L&B Harmon, LLC. The Motion is set for hearing on December 8, 2010.

The Debtors have filed with the Court and served on the United States Trustee's Office all monthly operating reports. To L&S's knowledge, the Debtor is also current on its quarterly fee obligations to the United States Trustee's Office. With respect to accrued but unpaid administrative expenses, the Debtors believe that it is current on all such expenses other than post petition professional fees and cost that are subject to approval by this Court.

III. TASKS PERFORMED BY L&S DURING THE APPLICATION PERIOD

The Application Period encompassed by this Application runs from May 11, 2010 through November 8, 2010. During the Application Period, L&S provided a wide range of services to the Debtors. The discussion below provides an overview of the services performed by task category.

1 A detailed description of the work performed by L&S in each of the categories listed below is
2 contained in Exhibit "A" to this First Application.

3 **A. General Case Administration**

4 L&S billed 1.6 hours (\$560.00) regarding various general matters which otherwise did not
5 fall into specific task categories below or overlapped a number of categories. The majority of the
6 time was spent in conferences and telephone calls with representatives of the Debtors concerning
7 the bankruptcy process and its status; verifying creditor information and updating the master
8 mailing matrices; review and logging incoming documents; and coordinating with the client
9 regarding various notices resulting from the bankruptcy filing. Finally, a significant amount of
10 time was spent conferring with various creditors and former employees about the bankruptcy
11 process and payments to creditors.

12 **B. Preparation of Schedules and Statements**

13 L&S billed 0.0 hours (\$0.00) for the preparation and filing of Debtors' statements and
14 schedules, as well as preparation of amendments to such statements and schedules. The preparation
15 of Debtors' statements and schedules proved to be difficult due to the volume of the 32 separate
16 schedules and statements.

17 **C. Initial Debtor Interview / 341(a) Creditors Meeting**

18 L&S billed 0.2 hours (\$70.00) for preparing for and attending the initial debtor interview
19 and preparing for and attending the 341(a) meetings of creditors.

20 **D. First Day Motions and Orders**

21 L&S billed 0.00 hours (\$0.00) regarding various First Day Motions and Orders filed by the
22 Debtors on the Petition Date as more fully described in the first application for compensation and
23 expenses. Time included conferring with the Office of the United States Trustee concerning the
24 case, attending the first day hearings, and follow up matters regarding these Motions including the
25 preparation and filing of the applicable orders, as well as noticing to appropriate parties.

26 **E. Monthly Operating Reports**

27 L&S billed 1.1 hours (\$335.50) regarding debtor-in-possession monthly operating reports.
28

F. L&S Retention, Fee Applications and Budget

L&S billed 2.0 hours (\$640.00) during the Application Period regarding various issues concerning L&S's retention and employment by the Debtors. Included in this time were the preparation of task categories for fee application purposes and the review of monthly billings to comply with the Administrative Order.

G. Other Professionals Retention and Fee Applications

L&S billed 4.1 hours (\$1,385.50) regarding the retention of other professionals and fee application issues. Time was spent in this category in discussions with Debtors regarding the need for an outside accounting and financing entity, and in preparing employment applications for various individuals and companies to continue in the day-to-day operations of the Debtors' thirty-two (32) entities.

H. Claims Administration and Other Litigation

L&S billed 13.2 hours (\$3,646.50) in this category. Time was spent in this category evaluating and reviewing various creditors' claims. Finally, this category includes miscellaneous time evaluating various proofs of claim asserted against the estate conferring with various creditors over the status of their claims.

I. Disclosure Statement and Plan Confirmation

L&S billed 0.00 hours (\$0.00) in this category. Time was spent in this category reviewing and responding to matters concerning the disclosure statement, plan of reorganization and getting a plan approved and confirmed by the Court.

IV. CONTENTS OF THE ATTACHED SUPPORTING EXHIBITS

Exhibit "A" attached to this Application identifies and provides chronologically throughout the Application Period: (a) the dates on which L&S performed professional services for the Debtors; (b) each person performing such services; (c) the amount of time spent by each person on each day that the person performs such services (charged in units of one-tenth [0.1] of an hour); and (d) specific daily descriptions of the services performed by each person. These time entries are grouped by task category.

Also, Exhibit "A" attached to this Application contains a detailed statement of actual and necessary out-of-pocket expenses incurred and paid by L&S during the Application Period in its representation of the Debtors. To date, L&S has not been reimbursed for any of the expenses it has incurred and paid during the Application Period.

Thus, the attached supporting Exhibit "A" contains a thorough and detailed description of L&S's professional services and reimbursable expenses.

V. STANDARDS RELEVANT TO INTERIM PROFESSIONAL COMPENSATION AND EXPENSE REIMBURSEMENT

The fees billed by L&S to the Debtors for professional services rendered during the Application Period total \$6,637.50. This amount was calculated (as required by Bankruptcy Code Section 330) in accordance with the standards used to calculate what would be charged for comparable services in a non-bankruptcy situation.

The pertinent factors to be considered in establishing fees for legal services rendered are: (a) the time and labor required, the novelty and the difficulty of the questions involved, and the skill required to perform the legal services properly; (b) the likelihood that the acceptance of the particular employment will preclude other employment by the lawyer; (c) the fee customarily charged for similar services; (d) the amount involved and the results obtained; (e) the time constraints required by the exigencies of the case, including the frequency and amount of time required to be devoted other than in regular business hours; (f) the nature and length of the professional relationship with the client; (g) the experience, reputation, and ability of the lawyers performing the services; and (h) whether the fee is fixed or contingent. In re First Colonial Corp. of America, 544 F.2d 1291 (5th Cir. 1977), cert. Denied, 431 U.S. 904 (1977); American Bar Association's Code of Professional Responsibility, Disciplinary Rule 2-106.

L&S submits that its requested professional compensation during the Application Period is fair and reasonable under the circumstances of this case and its representation of the Debtors therein.

1 L&S has also incurred and paid out-of-pocket expenses totaling \$180.68 during the
2 Application Period. The items for which expense reimbursement are being sought are not included
3 in L&S's overhead, and are not, therefore, a part of the hourly rates charged by L&S.

4 Most of the photocopying charges have been incurred in reproducing: (a) petition,
5 schedules and statements prepared and filed in this case; (b) pleadings prepared, filed and served
6 in this case; and (c) research materials. In each of the above-referenced instances (and other
7 similar situations), copies were needed promptly at the time, and/or it was not otherwise feasible for
8 L&S to make other photocopying arrangements. L&S charges 25¢ per page for photocopying.

9 L&S submits that the expenses which it has incurred and paid in rendering legal services to
10 the Debtor during the Application Period are reasonable and necessary under the circumstances of
11 this case and that the reimbursement to L&S for such expense is appropriate and should be allowed.

12 **VI. COMPLIANCE WITH SECTION 504 OF THE BANKRUPTCY CODE AND**
13 **BANKRUPTCY RULE 2016**

14 L&S has not entered into any arrangement or agreement with any person or entity with
15 respect to the sharing of fees and expenses for which L&S is seeking compensation and
16 reimbursement as set forth in this First Application, except as permitted by Bankruptcy Code
17 section 504(b)(1).

18 **VII. CONCLUSION**

19 WHEREFORE, L&S respectfully requests that the Court enter an Order:

20 1. For the Period from May 11, 2010 through November 8, 2010, allowing L&S
21 professional compensation in the amount of \$6,637.50, and reimbursement of actual and necessary
22 expenses in the amount of \$180.68, for a total of \$6,818.18.

23 2. Determining that the total amount of professional fees charged by L&S to the
24 Debtor during their Chapter 11 case is reasonable within the meaning of 11 U.S.C. § 330(a); and
25 determining that the total amount of reimbursable expenses incurred by L&S during the Chapter 11
26 case are actual and necessary within the meaning of 11 U.S.C. § 330(a);

27 3. Authorizing the Debtor to pay to L&S all unpaid fees and expenses as allowed by
28 the Court; and

4. Granting such other and further relief as the Court deems just and appropriate.

DATED this 11th day of January, 2011.

LARSON & STEPHENS

By: /s/ Zachariah Larson, Esq.
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Hotel Furniture Sales, Inc.

January 13, 2011

4500 Wynn Road
Las Vegas, Nevada
89103**Attention:** Bart Maybie

File #: 972-0002

Inv #: Sample

RE: Post Chapter 11 Bankruptcy

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
May-29-10	Reviewed and analyzed Monthly Operating Report.	0.30	55.50	MW
Jun-07-10	Receipt and review of Examiner's Preliminary Report.	0.40	74.00	MW
Jun-09-10	Preparation and attendance at status hearing on motion for dismissal and application to approve lease	2.20	770.00	ZL
Jun-10-10	Receipt and review of Examiner's Report.	0.50	92.50	MW
Jun-23-10	Preparation and attendance at application for fees hearing	1.50	525.00	ZL
Jun-24-10	Receipt and review of Supplemental Brief in Support of Motion to Convert filed by opposing counsel.	0.30	55.50	MW
Jun-28-10	Reviewed and analyzed Final Examiner's Report.	0.60	111.00	MW
	Receipt and review of email string from lead counsel re Examiner's Final Report.	0.20	37.00	MW
Jun-30-10	Preparation and attendance at status hearing	1.50	525.00	ZL
Jul-01-10	Review emails and respond	0.10	35.00	ZL

Jul-06-10	Review virtual minute entry	0.20	70.00	ZL
	Review order on fee application	0.20	70.00	ZL
	Prepare notice of entry of order and certificate of service and mail	0.30	45.00	TK
Jul-07-10	Review monthly operating report	0.40	140.00	ZL
Jul-13-10	Review verified statement	0.10	35.00	ZL
	Review application to approve trustee	0.30	105.00	ZL
	Review order appointing trustee	0.10	35.00	ZL
	Receipt and review of Appointment of Trustee, verified statement of Trustee and ExParte Application to Appoint Trustee.	0.30	55.50	MW
Jul-14-10	Prepared for and attendance at status hearing	0.20	70.00	ZL
Jul-22-10	Review applications to employ	0.30	105.00	ZL
	Review application to approve procedures	0.30	105.00	ZL
Jul-27-10	Review monthly operating report	0.20	70.00	ZL
Aug-04-10	Prepared for and attendance at motion for authorization to use bank accounts and credit cards	1.50	525.00	ZL
Aug-10-10	Prepared for and attended hearing re Motion for Relief from Stay by SKLV Properties (motion granted).	1.00	185.00	MW
Aug-20-10	Review order to approve procedures	0.20	70.00	ZL
Aug-23-10	Review notice of entry of order	0.20	70.00	ZL
Sep-01-10	Prepare for and attendance at application to employ Irving Steinberg and application to Lenard Schwartz hearings	1.70	595.00	ZL
Sep-02-10	Review amended declaration	0.20	70.00	ZL
Sep-07-10	Review emails and reply	0.30	105.00	ZL

	Review order on motion for relief from stay	0.20	70.00	ZL
Sep-09-10	Review orders to employ	0.20	70.00	ZL
Sep-16-10	Review notice of entry of orders and certificate of services	0.20	70.00	ZL
Sep-20-10	Review monthly operating report	0.20	70.00	ZL
Sep-23-10	Review proof of claim of B3 Holdings	0.20	70.00	ZL
	Review emails and reply	0.20	70.00	ZL
Sep-24-10	Review emails and reply	0.20	70.00	ZL
Sep-28-10	Telephone conference with Bart Maybie	0.20	70.00	ZL
	Review emails and reply	0.20	70.00	ZL
Oct-06-10	Review motion to convert to chapter 7	0.30	105.00	ZL
Oct-08-10	Review emails and reply	0.20	70.00	ZL
Oct-13-10	Review order shortening time	0.10	35.00	ZL
Oct-25-10	Review examiner's motion for compensation	0.90	315.00	ZL
Oct-27-10	Reviewed and analyzed documents, pleadings and motions in preparation of hearing re Motion to Convert.	1.60	296.00	MW
	Prepared for and attended hearing re Motion to Convert.	1.30	240.50	MW
Nov-08-10	Review order converting case to chapter 7	0.20	70.00	ZL
	Review meeting of creditors	0.20	70.00	ZL
	Totals	22.20	\$6,637.50	

DISBURSEMENTS

May-17-10	Photocopy Expense	116.00
May-18-10	Courier Expense	10.00

Jun-09-10	PACER research	0.08
Jul-06-10	Photocopy Expense	29.00
	Postage Expense	25.52
Aug-10-10	PACER research	0.08

Totals	\$180.68
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Total Fee & Disbursements	\$6,818.18
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Balance Now Due	\$6,818.18
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TAX ID Number 20-8460190

TRUST STATEMENT

		Disbursements	Receipts
	Trust Balance Forward		14,715.46
Jun-29-10	Paid To: Gjaerlemand, LLC	14,715.46	
	Fees Received per Invoice		
	Total Trust	<u>\$14,715.46</u>	<u>\$14,715.46</u>
	Trust Balance		\$0.00